



February 5, 2015

COMMONWEALTH OF MASSACHUSETTS

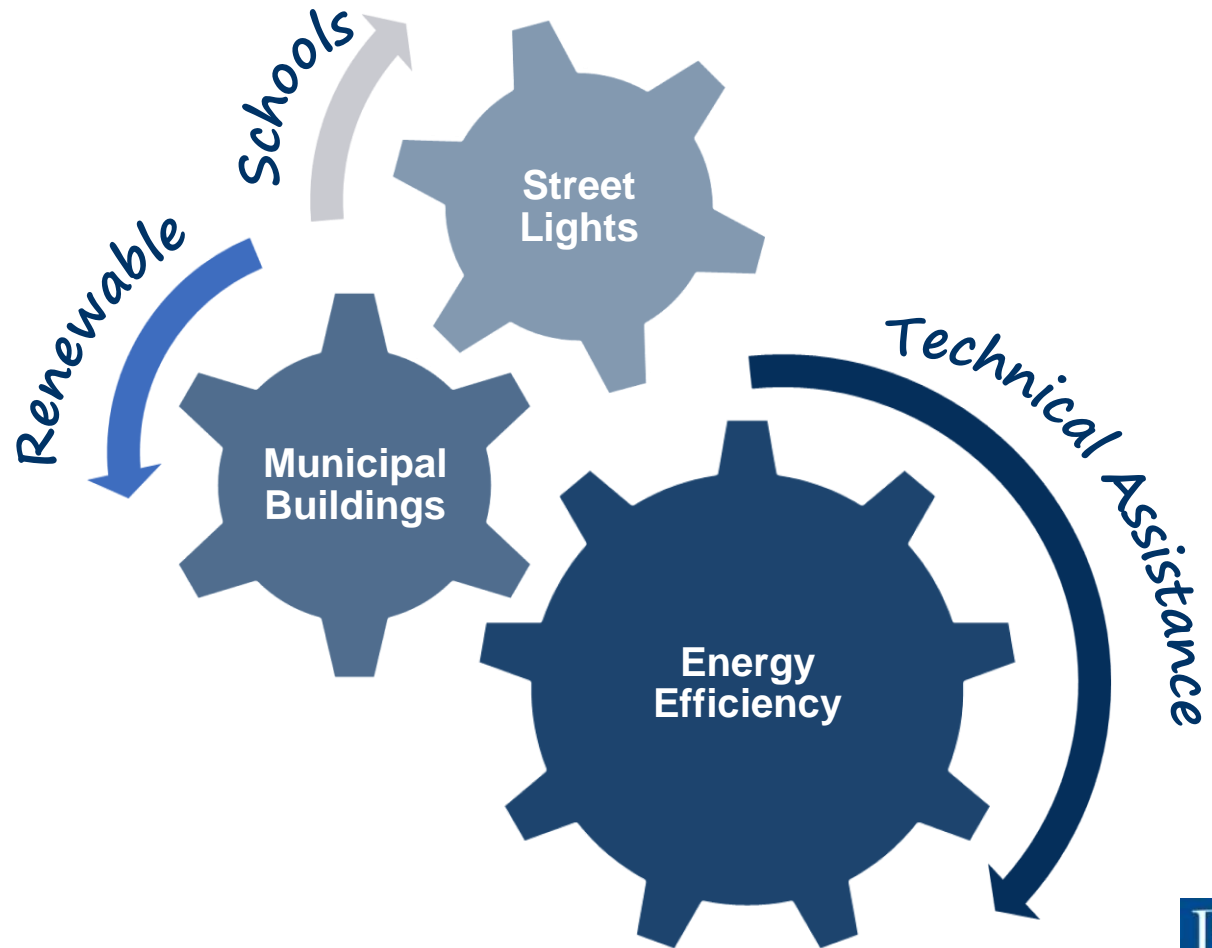
*Charles D. Baker, Governor
Matthew A. Beaton, Secretary
Daniel Burgess, Acting Commissioner*

***Cities and Towns & Municipal
Energy Efficiency
Working with Utilities Using
Chapter 25A, Section 14
Procurement***

DOER staff

Green Communities Division

The energy hub for ***all*** Massachusetts cities and towns, not just designated “Green Communities.”



Helping Massachusetts Municipalities Create A Cleaner Energy Future



Outreach - Regional Coordinators

- Regional Coordinators act as direct liaisons with cities and towns on energy efficiency and renewable energy activities
- Located at each of the DEP Regional Offices:



WERO – SPRINGFIELD: Jim Barry
Jim.Barry@state.ma.us



NERO – WILMINGTON: Joanne Bissetta
Joanne.Bissetta@state.ma.us



CERO – WORCESTER: Kelly Brown
Kelly.Brown@state.ma.us



SERO – LAKEVILLE: Seth Pickering
Seth.Pickering@state.ma.us



Green Communities Division - Programs & Resources for Municipalities

- Green Communities Designation and Grant Program
- MassEnergyInsight energy tracking and analysis tool
- Municipal Energy Efficiency Program
- Energy Management Services Technical Assistance
- Clean Energy Results Program (CERP)
- Mass Municipal Energy Group (MMEG)
- Website filled with tools & resources:
www.mass.gov/energy/greencommunities

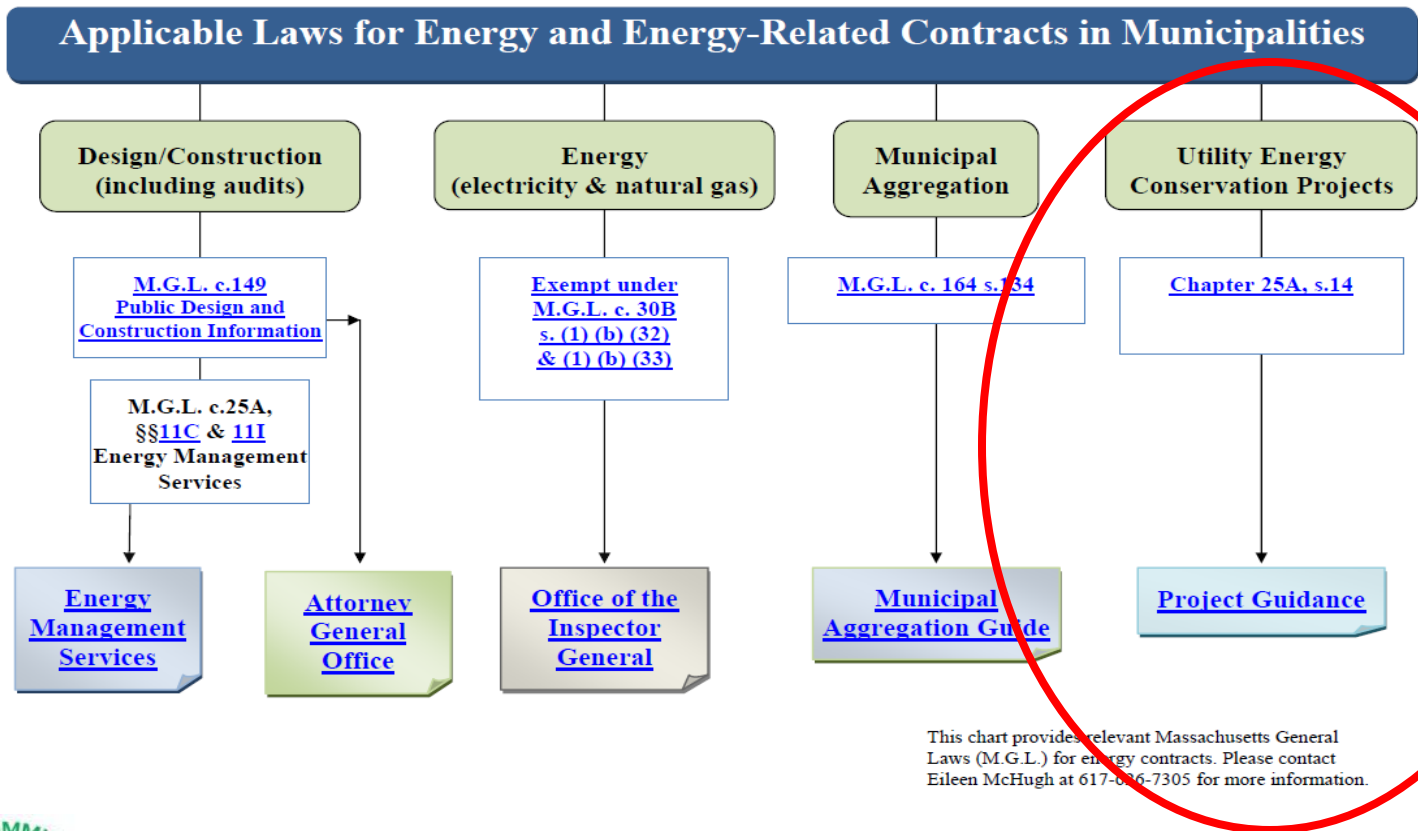
Email updates via e-blasts – Sign up by sending an email to:
join-ene-greencommunities@listserv.state.ma.us



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Applicable Massachusetts Energy Laws



DOER - Chapter 25A

§11C - Contracts for the procurement of Energy Management Services (RFP).

§11I - Energy Management Services contracts (RFQ).

§14 - Section 44 of the Green Communities Act of 2008 (Acts 2008, Chapter 169) created Section 14 of G.L. c. 25A, which authorizes state agencies, building authorities and local governmental bodies (“public entities”) to contract directly with their gas or electric utility supplier for “energy conservation projects” having a “total project cost” of \$100,000 or less.



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Chapter 25A Section 14(a)

For **Energy Conservation Projects** that have a total project cost of \$100,000 or less, a state agency, building authority or local governmental body may contract directly and without further solicitation with electric and gas utilities, their subcontractors and other providers of such energy conservation projects authorized under Sections 19 and 21 of Chapter 25 and Section 11G.



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Section 14(b)

Section 14(b):

For purposes of this section, “total project cost” shall mean **all construction costs** of an energy conservation project, **whether borne by the utility, agency, authority or body** including, without limitation, the costs associated with equipment purchase and installation of such equipment. Ancillary services provided at no cost by utilities, such as **auditing and design**, shall not be considered part of project cost.



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Sections 14(c)&(d)

Section 14(c):

A state agency, building authority or local governmental body **may pay** for such energy conservation projects through additions to its **monthly utility bills**.

Section 14(d):

Sections 44A to 44M, inclusive, of Chapter 149 and Section 39M of Chapter 30 **shall not apply** to contracts entered into under this section.



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Poll #1

- Has your municipality or school district procured energy efficiency measures using Ch. 25A Sec. 14?
 - Yes
 - No
 - Unsure



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Survey of Existing Green Communities

- 53% of respondents have NOT used provision
 - *“Not familiar with it.”*
 - *“Unaware of program”*
 - *“Not known by the (energy) committee until now!”*



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Survey of Existing Green Communities

- 47% of respondents have used this provision
 - *“Saves a huge amount of time and hassle.”*
 - *“It allows us to get the energy efficiency work done in a quick and timely manner. Procurement and contract requirements often delay or derail projects.”*
 - *“We will continue to take advantage of this opportunity as long as it is available.”*



What is a “Project?”

- The term “**Energy Conservation Projects**” is defined in M.G.L. c. 25A as projects to promote energy conservation, including but not limited to:
 - energy conserving modification to windows and doors
 - caulking and weather stripping
 - insulation
 - automatic energy control systems
 - hot water systems
 - equipment required to operate variable steam, hydraulic and ventilating systems
 - plant and distribution system modifications, including replacement of burners, furnaces or boilers
 - devices for modifying fuel openings
 - electrical or mechanical furnace ignition systems
 - utility plant system conversions
 - replacement or modification of lighting fixtures
 - energy recovery systems.



What's a “Total Project” ?

DOER interprets the statute's reference to a “total project” as the installation of one clearly identifiable energy efficiency measure.

For example:

- The installation of high efficiency lighting fixtures may be regarded as one “**total project**” in a building, and installation of new high-efficiency HVAC equipment in that same building may be regarded as a separate and distinct “**total project.**”
- Each “**total project**” would require a separate contract with the vendor of each service.
- Each “**total project**” can have a total cost of \$100,000 or less.



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Anytown, MA Facility #1

Library needs:

- \$90,000 HVAC work
- \$50,000 lighting retrofit. Utility offers \$30,000 incentive.

Using Ch.25A Sec. 14:

Town can have separate \$90,000 contract for HVAC work, and separate \$50,000 contract for lighting upgrades for a total of two (2) contracts.



Anytown, MA Facility #2

School needs:

- \$30,000 insulation and weatherization
- \$120,000 lighting retrofit. Utility offers \$30,000 incentive
- \$90,000 HVAC work



Poll Question #2

- How many projects can Anytown do under Chapter 25A Section 14?
 - All three projects
 - Two projects
 - One project



Anytown Answer

Using Ch.25A Sec.14:

Town can have a contract for \$30,000 insulation and weatherization and another for \$90,000 HVAC work. **Town CANNOT use Ch. 25A Sec. 14 for lighting project.** Total cost exceeds \$100,000 and must go out for public bid.



How to use Ch. 25A Sec.14

- Contact your electric utility's municipal representative.
 - Have building(s)/facilities been recently assessed?
 - If no, discuss needs/concerns with utility.
 - Ask Green Communities Regional Coordinator to facilitate conversation
 - Select utility vendor for assessment/audit
 - Schedule audit
 - Have a post-audit meeting to go over results, identify ECMs
 - Develop scope of work and contract
 - ID funds to pay for projects
 - Schedule work



Looking For Opportunities

- Energy efficient gas heating systems
- Energy efficient air conditioning
- Efficient gas water heating
- Upgrades to (HVAC) air handler
- Indoor lighting retrofits
- Energy Management System Upgrades
- Energy Star gas and electric commercial kitchen equipment
- Outdoor lighting upgrades



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Who Will You Be Working With?

Companies competitively procured by utilities

- Each utility has several vendors
- Some services may be subcontracted
- Prevailing wage for municipal projects



Other Benefits

- Vendors will process utility incentives through MassSave program
- Can help with custom incentive applications
- Can help with technical assistance studies
- On bill financing



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Benefits (cont.)

- TA Assistance

- 100% cost, up to \$7500 if you move on a project
 - Put another way, cost is shared up front but is waived if you implement some or all recommendations (prevents “free audit effect”)
- Once the walk-through is complete, any contractor, utility vendor or otherwise, can come in to implement the recommendations
- Ideal for water/waste water facilities, buildings requiring substantial mechanical upgrades.



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High School Gymnasium Lighting Retrofit

- Total Project Cost: \$42,500
- Utility Incentive: \$13,170
- Cost to customer \$29,330
- Simple payback 3.9 years
- Est. annual electric energy savings 52,681 kWh
- Est. annual cost savings \$7,375
- CO₂ Lifetime reduction 387 Tons



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Electric & Gas Utility Contacts

- Eversource Energy – East - (*formerly NU-NSTAR*) – **Steve Grattan** - 781-441-8243
– steven.grattan@nu.com
- Eversource Energy – West - (*formerly NU-WMECO*) – **Kim Kiernan** - 413-787-9275
– kiernk@nu.com
- Unitil – **John DiNapoli** - 978-353-3259
– DiNapoli@unitil.com
- CLC – **Stephan Wollenburg** - 508-375-6623
– swollenburg@capelightcompact.org



Gas (only) Utility Contacts

- Columbia Gas

Paul Giguere - 413-784-2142

PGiguere@NiSource.com

- Berkshire Gas

Robert Gyurjan – 413-455-0345

rgyurjan@berkshiregas.com

- Liberty Utilities (formerly NEG)

James Carey – 774-627-2876

James.Carey@libertyutilities.com



National Grid

- Bill Isaksen, Central & Western MA
 - william.isaksen@nationalgrid.com 508-922-2698
- Mike Skinner, Northeast & Southeast MA
 - michael.skinner@nationalgrid.com 781-907-1605



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DOER Contacts

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 - Seth Pickering seth.pickering@state.ma.us
- Mass Save: <http://www.masssave.com/>
- Link to DOER Guidance:
<http://www.mass.gov/eea/docs/doer/green-communities/pubs-reports/contract-guidance.pd>

